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**ECONOMIC  
INVESTMENT  
TRUST  
LIMITED**



Forty-Fifth  
**ANNUAL REPORT**  
December 31, 1971



## ECONOMIC INVESTMENT TRUST LIMITED

44 King Street West, Toronto 1, Ontario

### DIRECTORS AND OFFICERS

A. BRUCE MATTHEWS, C.B.E., D.S.O.	<i>Chairman of the Board</i>
LAWRENCE W. SKEY, D.F.C.	<i>Managing Director</i>
HENRY N.R. JACKMAN	<i>Director</i>
FREDERICK W.P. JONES	<i>Director</i>
GRAHAM MORROW, O.B.E.	<i>Director</i>
ROBERT W. INGLIS, C.A.	<i>Secretary-Treasurer</i>

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HEAD OFFICE	<i>44 King Street West, Toronto, Ontario</i>
SHARES LISTED	<i>Toronto Stock Exchange</i>
BANKERS	<i>Canadian Imperial Bank of Commerce</i>
AUDITORS	<i>Clarkson, Gordon &amp; Co.</i>
TRANSFER AGENT AND REGISTRAR	<i>Canada Permanent Trust Company</i>





## DIRECTORS' REPORT TO THE SHAREHOLDERS

### NET ASSET VALUE

The net asset value of your Company's common shares recorded an increase in value during 1971 of 15%, rising from \$18.69 per share at the close of 1970 to \$21.49 per share on December 31, 1971. On January 31, 1972, net asset value had risen by an additional amount of \$2.62 to \$24.11 per share. A schedule showing the Trust's performance compared with those of the Toronto Stock Exchange Industrial Index and the Dow-Jones Industrial average is set out below.

	Annual Increase or (Decrease)		
	Economic	T.S.E.	Dow-Jones
1971	15.0%	4.1%	6.1%
1970	(7.6)	(6.3)	4.8
1969	(6.5)	(1.6)	(15.2)
1968	24.4	16.4	4.3
1967	24.9	9.9	15.1

The Trust's investment portfolio and the financial record of the Company since 1928 are set out in this report.

### EARNINGS AND DIVIDENDS

Net earnings per common share (after payment of dividends on the preferred shares) amounted to 52¢ per share, a modest decline from the 1970 earnings of 54¢ per share. This decline is largely attributable to a reduction in interest income in 1971 from 1970, caused largely by a decline in the historically high rates of interest in effect during most of 1970, coupled with a more heavily invested position in equities in 1971.

The common dividend was maintained in 1971 at 46¢ per share.

### TAX REFORM

The much-discussed Tax Reform Bill (C259) received Royal Assent on December 23, 1971 and became effective on January 1, 1972. The effects of this new Act are far-reaching, since virtually every aspect of Canadian income tax law has been amended. In addition, a tax has been imposed on realized capital gains. Your Directors are reviewing the provisions of the amended Income Tax Act particularly with respect to capital gains distributions and plan to report more fully to shareholders later in the year with regard to this matter. The amended Act recognizes the "conduit" principle for investment trusts such as Economic and accordingly we anticipate that the shareholders will be in approximately the same position as the past with regard to investment income dividends paid by the Trust.

### OUTLOOK FOR 1972

We enter the New Year with higher share prices in every major market. Decisions taken at the Big Ten conferences in December produced a partial return of confidence which, added to the strong base developed during the latter part of 1971, carried indices to near all time highs.

Improved earnings continue to lend emphasis to share prices and a scarcity of quality Canadian shares is already being felt. Unfortunately there are strong signs of a renewed inflationary trend which, accompanied by a major unemployment problem, cannot help but dampen prospects for 1973. Qualification of the strong up-trend must be recognized should a further currency crisis occur, particularly before the U.S. elections in November. In general terms, your directors share the view that 1972 should be a year of progress and improved earnings.

### RETIREMENT SAVINGS PLANS

Since the Trust has over 95% of its investments in Canada it will continue to qualify as a vehicle for registered Retirement Savings Plans. Attention is drawn to the fact that beginning in 1972 the maximum contribution into an individual's Retirement Savings Plan has been increased to \$4,000. In the case of individuals whose employer contributes to a pension plan on his behalf, the maximum contribution into a Retirement Savings Plan has been increased to \$2,500.

Further information regarding the Trust's Retirement Savings Plan is available at the Head Office of the Company.

### ANNUAL MEETING

The Annual Meeting of Shareholders has been called for Friday, March 3, 1972 in the Toronto Room of the Excelsior Life Insurance Co., 20 Toronto St., Toronto. All shareholders are cordially invited to attend.

### DIRECTORATE

Mr. Graham Morrow, O.B.E. has expressed his wish not to stand for re-election as a director at the forthcoming Annual Meeting. We take this opportunity to express our thanks to Mr. Morrow and our appreciation of his dedicated service to the Trust since he joined the Board in 1960.

Mr. A. George Dragone was elected to the Board of Directors on January 25, 1972. The common shareholders will be asked to confirm his election at the Annual Meeting.

On behalf of the Board,

A. BRUCE MATTHEWS, Chairman

Toronto, Canada.  
February 16, 1972.



# ECONOMIC INVESTMENT TRUST LIMITED

(Incorporated under the laws of Canada)

## BALANCE SHEET

### ASSETS

	December 31	
	1971	1970
Investments at market value (notes 1 and 3) . . . . .	\$26,846,969	\$23,562,931
(Cost—1971-\$19,403,378; 1970-\$18,289,201)		
Cash and short-term deposit receipts . . . . .	376,157	1,115,563
Receivable for securities sold . . . . .	100,000	
Income taxes recoverable . . . . .	2,656	
	<u>\$27,325,782</u>	<u>\$24,678,494</u>

### LIABILITIES AND SHAREHOLDERS' EQUITY

**Liabilities:**

Due to brokers for securities purchased . . . . .	\$ 62,711	\$ 300,545
Accounts payable and accrued charges . . . . .	8,539	3,949
Income taxes payable . . . . .		8,409
	<u>71,250</u>	<u>312,903</u>

**Shareholders' Equity:**

Share Capital —

Authorized:

196,305 preferred shares of \$50 par value  
(exclusive of 3,695 shares redeemed) (note 4)

2,500,000 common shares of no par value

Issued:

96,305 5% cumulative preferred shares Series A, redeemable at \$52.50 (96,405 in 1970) (note 4) . . . . .	4,815,250	4,820,250
1,032,940 common shares . . . . .	4,116,691	4,116,691

Surplus —

Contributed surplus . . . . .	588,288	586,475
Earned surplus . . . . .	752,984	687,754
Accumulated surplus on sale of investments . . . . .	9,537,728	8,880,691
Unrealized appreciation of investments . . . . .	<u>7,443,591</u>	<u>5,273,730</u>

Total shareholders' equity . . . . .	<u>27,254,532</u>	<u>24,365,591</u>
	<u>\$27,325,782</u>	<u>\$24,678,494</u>

On behalf of the Board:

A. Bruce Matthews, Director  
Lawrence W. Skey, Director

(See accompanying notes)

# ECONOMIC INVESTMENT TRUST LIMITED

## STATEMENTS OF REVENUE AND EXPENSES AND EARNED SURPLUS

For the years ended December 31

	1971	1970
REVENUE AND EXPENSES		
Revenue Received:		
Dividends from taxable Canadian corporations . . . . .	\$ 789,648	\$ 761,875
Dividends from other corporations . . . . .	42,344	33,200
Interest . . . . .	38,360	89,175
	<u>870,352</u>	<u>884,250</u>
Expenses:		
Administrative expenses . . . . .	28,959	28,471
Directors' fees and salaries . . . . .	20,083	20,161
Bank interest and charges . . . . .	9,133	1,786
Transfer agent's and auditors' fees . . . . .	8,970	6,660
Legal fees . . . . .	400	1,000
Professional fees relating to tax reform . . . . .	3,475	
	<u>71,020</u>	<u>58,078</u>
Profit before income taxes . . . . .	799,332	826,172
Income taxes . . . . .	18,000	28,000
Net Profit for Year (per common share: 1971 - \$.052; 1970 - \$.054) . . . . .	<u>\$ 781,332</u>	<u>\$ 798,172</u>
EARNED SURPLUS		
Balance at beginning of year . . . . .	\$ 687,754	\$ 605,747
Add net profit for year . . . . .	<u>781,332</u>	<u>798,172</u>
	<u>1,469,086</u>	<u>1,403,919</u>
Deduct:		
Dividends paid on—preferred shares (\$2.50 per share) . . . . .	240,950	241,013
common shares (\$0.46 per share) . . . . .	<u>475,152</u>	<u>475,152</u>
	<u>716,102</u>	<u>716,165</u>
Balance at end of year . . . . .	<u>\$ 752,984</u>	<u>\$ 687,754</u>

Note: Included in earned surplus is capital surplus arising under Section 62 of the Canada Corporations Act amounting to \$156,041 in 1971 and \$152,854 in 1970. During 1971 \$3,187 was transferred from earned surplus to this capital surplus to cover the cost of 100 preferred shares redeemed during the year.

(See accompanying notes)



**ECONOMIC INVESTMENT TRUST LIMITED**  
**STATEMENTS OF CONTRIBUTED SURPLUS,**  
**ACCUMULATED SURPLUS ON SALE OF INVESTMENTS,**  
**UNREALIZED APPRECIATION OF INVESTMENTS AND CHANGES IN NET ASSETS**

For the years ended December 31

	1971	1970
<b>CONTRIBUTED SURPLUS</b>		
Balance at beginning of year . . . . .	\$ 586,475	\$ 586,475
Add excess of par value of preferred shares redeemed over repurchase price thereof . . . . .	<u>1,813</u>	<u>          </u>
Balance at end of year	<u>\$ 588,288</u>	<u>\$ 586,475</u>
<b>ACCUMULATED SURPLUS ON SALE OF INVESTMENTS</b>		
Balance at beginning of year . . . . .	\$ 8,880,691	\$ 8,718,854
Net surplus on securities sold . . . . .	<u>657,037</u>	<u>161,837</u>
Balance at end of year . . . . .	<u>\$ 9,537,728</u>	<u>\$ 8,880,691</u>
<b>UNREALIZED APPRECIATION OF INVESTMENTS</b>		
Balance at beginning of year . . . . .	\$ 5,273,730	\$ 7,094,598
Net increase (decrease) for year . . . . .	<u>2,169,861</u>	<u>(1,820,868)</u>
Balance at end of year . . . . .	<u>\$ 7,443,591</u>	<u>\$ 5,273,730</u>
<b>CHANGES IN NET ASSETS</b>		
Net assets at beginning of year . . . . .	<u>\$24,365,591</u>	<u>\$25,942,615</u>
Additions:		
Net surplus on securities sold . . . . .	657,037	161,837
(proceeds of sales — 1971 - \$5,395,515; 1970 - \$5,163,617)		
Net profit for year . . . . .	781,332	798,172
Increase in unrealised appreciation of investments . . . . .	<u>2,169,861</u>	<u>          </u>
	<u>3,608,230</u>	<u>960,009</u>
Deductions:		
Decrease in unrealized appreciation of investments . . . . .		1,820,868
Dividends paid—on preferred shares . . . . .	240,950	241,013
—on common shares . . . . .	475,152	475,152
Cost of 100 preferred shares redeemed . . . . .	<u>3,187</u>	<u>          </u>
	<u>719,289</u>	<u>2,537,033</u>
Net increase (decrease) for year . . . . .	<u>2,888,941</u>	<u>(1,577,024)</u>
Net assets at end of year . . . . .	<u>\$27,254,532</u>	<u>\$24,365,591</u>

(See accompanying notes)



# **ECONOMIC INVESTMENT TRUST LIMITED**

## **NOTES TO FINANCIAL STATEMENTS**

December 31, 1971

1. The company's investments are stated at market value at December 31, 1971 to facilitate the computation of net asset value on a market basis at that date. In the accounts of the company, however, investments are stated at cost and not adjusted for fluctuations in market value.
2. Foreign currency amounts included in the financial statements have been stated in Canadian dollars as follows:
  - (a) Market value of investment securities, other assets and liabilities — at the rate of exchange at December 31, 1971.
  - (b) Purchases and sales of investment securities, revenue and expenses — at the approximate rate of exchange prevailing when the transactions giving rise to such items occurred.
3. Bank loans of the company outstanding from time to time are secured by hypothecation of the company's investments.
4. During the year the company purchased 100 preferred shares for redemption at a cost of \$3,187. The excess of the par value of these shares (\$5,000) over their purchase price has been credited to contributed surplus.
5. During the year the company had six directors, three of whom were the officers of the company. The following aggregate remuneration was paid to the directors and officers during the year ended December 31, 1971; directors, as directors \$10,783; officer, as an officer \$9,300.

## **AUDITOR'S REPORT**

To the Shareholders of  
Economic Investment Trust Limited:

We have examined the balance sheet and investment portfolio of Economic Investment Trust Limited as at December 31, 1971 and the statements of revenue and expenses, earned surplus, contributed surplus, accumulated surplus on sale of investments, unrealized appreciation of investments and changes in net assets for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances. Securities owned at December 31, 1971 were verified by confirmation received directly either from the custodian or from brokers in respect of securities purchased but not received.

In our opinion these statements present fairly the financial position and investment portfolio of the company as at December 31, 1971 and the results of its operations and the changes in its net assets for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Toronto, Canada,  
January 17, 1972

CLARKSON, GORDON & CO.  
Chartered Accountants.

**ECONOMIC INVESTMENT TRUST LIMITED**  
**INVESTMENT PORTFOLIO AS AT DECEMBER 31, 1971**

**DEBENTURES (1.42% of net assets)**

	<u>Par Value</u>	<u>Market Value</u>
Paragon Properties Ltd. 8% Series 'A' Sinking Fund Debentures due February 15, 1979 . . . . .	\$ 160,000	\$ 140,800
Thomson Newspapers Ltd. 5% Conv. Debentures due October 1, 1991 . . . . .	250,000	<u>247,500</u>
		<u>\$ 388,300</u>

**COMMON AND CONVERTIBLE PREFERRED SHARES (97.08% of net assets)**

	<u>Number of Shares</u>	
<b>BANKS AND TRUST COMPANIES (24.20% of net assets)</b>		
Bank of Nova Scotia . . . . .	50,000	\$ 1,518,750
Canadian Imperial Bank of Commerce . . . . .	50,000	1,218,750
Metropolitan Trust Co. . . . .	21,000	388,500
Royal Bank of Canada . . . . .	8,400	237,300
Toronto-Dominion Bank . . . . .	50,000	1,456,250
Victoria & Grey Trust Company . . . . .	50,000	<u>1,775,000</u>
		<u>\$ 6,594,550</u>

**DRUGS AND TOILETRIES (1.72% of net assets)**

Tampax Inc. . . . .	1,500	<u>\$ 470,087</u>
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**ENTERTAINMENT AND RECREATION (2.20% of net assets)**

Commonwealth Holiday Inns of Canada Ltd. . . . .	15,000	\$ 178,125
Baton Broadcasting Inc. . . . .	10,100	151,500
Standard Broadcasting Corp. Ltd. . . . .	20,000	<u>270,000</u>
		<u>\$ 599,625</u>

**FINANCIAL, INSURANCE AND FUNDS (12.08% of net assets)**

Argus Corporation Ltd. Class 'C' Participating . . . . .	50,000	\$ 493,750
Crown Life Insurance Co. . . . .	8,000	248,000
Dale-Ross Holdings Ltd. . . . .	44,500	328,187
E-L Financial Corp. Ltd. Conv. Pref. . . . .	79,500	755,250
E-L Financial Corp. Ltd. . . . .	50,000	343,750



## COMMON AND CONVERTIBLE PREFERRED SHARES (Continued)

	Number of Shares	Market Value
London Life Insurance Co. . . . .	3,500	238,000
Noel Mutual Fund Ltd. . . . .	1,400	238,672
Paragon Properties Ltd. . . . .	18,500	63,825
Scudder North America Fund Ltd. . . . .	25,000	233,250
United Canadian Shares Ltd. . . . .	10,615	350,295
		<u>\$ 3,292,979</u>
FOOD, BEVERAGE AND TOBACCO (12.23% of net assets)		
Bright & Co. Ltd., T.G. . . . .	60,000	\$ 937,500
Crush International Limited . . . . .	25,000	437,500
Distillers Corp.-Seagrams Ltd. . . . .	32,000	956,000
General Bakeries Ltd. . . . .	25,000	75,000
Rothmans of Pall Mall Canada. Conv. Cum. Red. 2nd Pref. . . . .	15,000	300,000
Walker-Gooderham & Worts Ltd., Hiram . . . . .	15,000	626,250
		<u>\$ 3,332,250</u>
GENERAL MANUFACTURING (4.05% of net assets)		
Avco Corporation \$3.20 Cum. Conv. Pref. . . . .	7,000	\$ 311,889
Boeing Company . . . . .	3,000	55,945
Dominion Foundries & Steel Ltd. . . . .	20,000	482,500
Slater Steel Industries Limited . . . . .	25,000	253,125
		<u>\$ 1,103,459</u>
METALS AND MINING (12.86% of net assets)		
Cassiar Asbestos Corporation Ltd. . . . .	30,000	\$ 615,000
Dome Mines Ltd. . . . .	7,000	381,500
Hollinger Mines Ltd. . . . .	20,000	740,000
International Nickel Co. of Canada Ltd. . . . .	15,000	480,000
Kerr Addison Mines Limited . . . . .	25,000	186,250
McIntyre Porcupine Mines Ltd. . . . .	1,000	72,000
Noranda Mines Ltd. . . . .	15,000	495,000
Placer Development Ltd. . . . .	10,000	265,000
Pres. Steyn Gold Mining Co. Ltd. . . . .	21,000	115,710
Sullivan Mining Group Ltd. . . . .	28,000	75,040
Union Corp. Limited . . . . .	20,000	79,800
		<u>\$ 3,505,300</u>
OIL, GAS AND PIPELINES (17.38% of net assets)		
Alberta Gas Trunk Line 'A' . . . . .	7,100	362,100
B.P. Canada Ltd. . . . .	50,000	575,000
Cygnus Corp. Ltd. 'B' . . . . .	11,700	68,737
Dome Petroleum Ltd. . . . .	15,000	506,250
General Products Mfg. Corp. Ltd. 'A' . . . . .	10,000	820,000

# COMMON AND CONVERTIBLE PREFERRED SHARES (Continued)

	Number of Shares	Market Value
Gulf Oil Canada Ltd. . . . .	5,000	125,000
Home Oil Company Limited 'A' . . . . .	15,000	506,250
Interprovincial Pipe Line Co. . . . .	30,000	885,000
Shell Investments Ltd. 1st Preference (Convertible) . . . . .	10,000	365,000
Texaco Canada Ltd. . . . .	10,000	340,000
Westcoast Petroleum Ltd. 'A' . . . . .	6,000	<u>183,000</u>
		<u>\$ 4,736,337</u>
PRINTING AND PUBLISHING (4.18% of net assets)		
Moore Corporation Ltd. . . . .	30,000	<u>\$ 1,140,000</u>
PUBLIC UTILITIES (5.17% of net assets)		
Bell Canada \$3.20 Conv. Pref. . . . .	6,000	316,500
Bell Canada . . . . .	9,500	441,750
British Columbia Telephone Company . . . . .	10,000	<u>650,000</u>
		<u>\$ 1,408,250</u>
TRANSPORTATION (.96% of net assets)		
Algoma Central Railway Co. . . . .	30,000	<u>262,500</u>
MISCELLANEOUS (.05% of net assets)		
Sundry securities . . . . .		<u>\$ 13,332</u>
TOTAL COMMON AND CONVERTIBLE PREFERRED SHARES . . . . .		<u>\$26,458,669</u>

## SUMMARY

	Market Value	% of Net Assets
Debentures . . . . .	\$ 388,300	1.42 %
Common and convertible preferred shares . . . . .	26,458,669	97.08
Cash and cash items (net) . . . . .	<u>407,563</u>	<u>1.50</u>
TOTAL NET ASSETS . . . . .	<u>\$27,254,532</u>	<u>100.00%</u>

(See accompanying notes)



ECONOMIC INVESTMENT TRUST LIMITED

*Financial Record - 1928 - 1971*

Year Ending March 31	Gross Income	Bond and Debt Interest	Expenses Amount	% of Net Assets	Income Taxes	Net Income	Total Net Assets	Funded Debt and Preferred Shares†	Available for Common Shares	Common Shares Outstanding*	Asset Value per Common Share*
1928	\$106,907	\$20,742	\$24,968	1.390	\$ 1,361	\$ 59,836	\$ 1,794,643	\$1,000,000	\$ 794,643	\$ 403,125	\$ 1.97
1933	98,327	48,664	12,562	1.080	563	36,538	1,161,715	962,500	199,215	499,062	0.40
1938	157,194	48,216	16,507	.813	3,090	89,381	2,028,005	1,000,000	1,028,005	499,062	2.06
1943	156,515	50,000	15,884	.610	11,079	79,552	2,604,866	1,000,000	1,604,866	499,062	3.22
1948	157,877	30,000	17,823	.506	—	110,054	3,522,969	1,000,000	2,522,969	500,000	5.05
Year Ending Dec. 31		Bond, Bank and Debt Interest									
1953	276,684	37,635	29,647	.570	19,500	189,902	5,197,984	1,250,000	3,947,984	625,000	6.32
1958	383,929	98,099	30,585	.284	10,500	244,745	10,753,281	2,940,000	7,813,281	757,500	10.31
1961	489,840	85,867	35,713	.235	20,000	348,260	15,222,286	2,509,500	12,712,786	969,855	13.09
1962	548,028	67,285	40,016	.251	13,000	427,727	15,959,654	4,100,000	11,859,654	1,032,940	11.48
1963	614,170	61,743	43,037	.244	14,000	495,390	17,633,299	4,100,000	13,533,299	1,032,940	13.10
1964	678,595	5,464	45,973	.219	11,000	616,158	20,955,088	5,250,000	15,705,088	1,032,940	15.20
1965	762,143	3,749	46,506	.212	8,000	703,888	21,897,735	5,250,000	16,647,735	1,032,940	16.12
1966	800,963	1,105	49,136	.251	13,500	737,222	19,613,106	5,250,000	14,363,106	1,032,940	13.91
1967	858,076	3,331	46,973	.204	19,000	788,772	23,076,097	5,128,462	17,947,635	1,032,940	17.38
1968	805,538	2,494	51,221	.187	19,000	732,823	27,392,675	5,061,263	22,331,412	1,032,940	21.62
1969	845,570	1,693	54,583	.210	30,000	759,294	25,942,615	5,061,263	20,881,352	1,032,940	20.22
1970	884,250	681	57,397	.236	28,000	798,172	24,365,591	5,061,263	19,304,328	1,032,940	18.69
1971	870,352	8,346	62,674	.230	18,000	781,332	27,254,532	5,056,013	22,198,519	1,032,940	21.49

† Preferred Shares at redemption price of \$52.50 per share.

\* Adjusted for 5-for-2 split in 1951 and 5-for-1 split in 1963.











AR51

*Cap report*

ECONOMIC INVESTMENT TRUST  
LIMITED

Toronto 1, Canada

Report for the Six Months

Ended June 30, 1971

(unaudited)

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# ECONOMIC INVESTMENT TRUST LIMITED

## CONDENSED COMPARATIVE STATEMENT OF PROFIT AND LOSS

For the Six months Ended June 30

	<u>1971</u>	<u>1970</u>
Profit before income taxes .....	\$ 416,100	\$ 385,916
Provision for income taxes .....	12,000	9,000
Net profit for the period .....	<u>\$ 404,100</u> ✓	<u>\$ 376,916</u> ✓
Per preferred share .....	\$4.19	\$3.91
Per common share .....	0.27 ✓	0.25 ✓

## COMPARATIVE STATEMENT OF CHANGES IN NET ASSETS

For the Six months Ended June 30

	<u>1971</u>	<u>1970</u>
Net assets at beginning of period .....	\$24,365,591	\$25,942,615 ✓
Additions:		
Increase in unrealized appreciation of investments .....	1,016,006	
Net surplus on investments sold .....	331,433	44,373
Net profit for period .....	404,100	376,916
	<u>1,751,539</u>	<u>421,289</u>
Deductions:		
Decrease in unrealized appreciation of investments .....		5,507,426
Dividends paid —		
On preferred shares .....	120,506	120,506
On common shares .....	206,588	206,588
	<u>327,094</u>	<u>5,834,520</u>
Net increase (decrease) for period .....	<u>1,424,445</u>	<u>(5,413,231)</u>
Net assets at end of period .....	<u>\$25,790,036</u>	<u>\$20,529,384</u>
Net asset value per share —		
Preferred .....	\$268.00	\$213.00
Common .....	20.07	14.97

July 16, 1971

A. Bruce Matthews,  
Chairman

**ECONOMIC INVESTMENT TRUST LIMITED**

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**Notice of Annual General Meeting of Shareholders**

NOTICE is hereby given that the Annual General Meeting of Shareholders of Economic Investment Trust Limited (the "Company") will be held in the Toronto Room of The Excelsior Life Insurance Company, 20 Toronto Street, Toronto, Canada, on Friday, March 5, 1971, at 12 o'clock noon (Toronto time).

- (a) to receive and consider the annual report of the Company for the year ended December 31, 1970;
- (b) to elect three directors for the ensuing two years;
- (c) to appoint auditors for the ensuing year and to authorize the directors to fix the remuneration of the auditors; and
- (d) to transact such other business as may properly come before the meeting.

Proxies are being solicited by the management of the Company. Common shareholders of the Company are entitled to vote at the meeting either in person or by proxy. If you are unable to be present at the meeting, please sign the attached form of proxy and return it in the addressed envelope provided for the purpose.

By Order of the Board of Directors.

R.W. INGLIS, C.A.,  
Secretary.

Toronto, Canada  
February 17, 1971.



# ECONOMIC INVESTMENT TRUST LIMITED

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## Information Circular

This Information Circular accompanies the Notice of Annual General Meeting of Shareholders of Economic Investment Trust Limited called for Friday, March 5, 1971 and is furnished in connection with the solicitation of proxies for use at that meeting.

### Solicitation of Proxies

The enclosed proxy is solicited by the Management of the Company. The cost of solicitation will be borne by the Company. The management does not contemplate a solicitation of proxies otherwise than through use of the mail.

### Appointment and Revocation of Proxies

The persons named in the enclosed form of proxy are directors or officers of the Company. A shareholder desiring to appoint some other person to represent him at the meeting may do so either by inserting the name of such person in the blank space provided in the form of proxy or by completing another form of proxy and, in either case, sending it to the Company so that it will be received by the Company within the time prescribed for the deposit of proxies. A person appointed as a proxy need not be a shareholder of the Company.

All instruments appointing proxies to be used at the meeting must be deposited with the Secretary of the Company at Toronto not later than 12:00 o'clock noon (Toronto Time) on Wednesday, March 3, 1971. Instruments appointing proxies not so deposited will not be voted at the meeting.

A shareholder giving a proxy has power to revoke the proxy at any time before it is exercised.

### Voting Procedure

The Company has outstanding 1,032,940 common shares of no par value, each carrying the right to one vote per share. The Empire Life Insurance Company is the beneficial owner of 186,335 or 18.04% of the Company's common shares and Dominion and Anglo Investment Corporation is the beneficial owner of 109,710 or 10.62% of the Company's common shares.

The only persons entitled to attend and vote at the meeting will be registered common shareholders of record at the date of the meeting or their duly appointed proxies.

### Election of Directors

The Company has a board of six directors of whom three directors are elected annually for a two year term. Messrs. Frederick W.P. Jones, Graham Morrow, O.B.E. and Lawrence W. Skey, D.F.C. were elected to office at the Annual General Meeting of Shareholders held February 23, 1970 and will remain in office until the Annual General Meeting to be held in 1972 or until their successors are elected.

In the absence of instructions to the contrary, proxies in the accompanying form will be voted in favour of the election of the three nominees named below (or for substitute nominees in the event of contingencies not known at present) who will serve as directors of the Company for a two year term or until their successors are elected and qualified.

<u>Name</u>	<u>Principal Occupation (1)</u>	<u>Became a Director</u>	<u>Shares of the Company beneficially owned as of February 17, 1971 (2)</u>
A. Bruce Matthews, C.B.E., D.S.O.	Chairman, The Excelsior Life Insurance Company	1949	5,000 Common
Henry N.R. Jackman	Chairman, The Empire Life Insurance Company	1966	126 Common
Robert W. Inglis, C.A.	Secretary-Treasurer of the Company and President, Kilgorie Distributors Ltd.	—	1,000 Common

- (1) Each nominee has had the same employment for more than five years either in the position indicated or in other positions with the same organization except that Mr. Inglis became President of Kilgorie Distributors Ltd. on September 5, 1969. Kilgorie Distributors Ltd. is sales agent for Canadian Scudder Investment Fund Ltd. and Scudder North America Fund Ltd.
- (2) Based on information furnished to the Company by the nominees.

#### **Remuneration of Directors and Senior Officers**

The aggregate direct remuneration paid or payable by the Company to its directors and senior officers as a group during 1970 was \$20,161.

No pension benefits are proposed to be paid to the directors of the Company, as such. The estimated aggregate cost to the Company in the fiscal year ended December 31, 1970 of all pension benefits proposed to be paid, directly or indirectly, to the officers of the Company in the event of retirement at normal retirement age, was \$2,330.

#### **Appointment of Auditors**

The firm of Clarkson, Gordon & Co. has been regularly appointed as auditors of the Company for many years. The management of the Company is informed that no member of this firm has any interest, financial or otherwise, direct or indirect, in the Company. Unless otherwise instructed proxies which are received pursuant to this solicitation will be voted for the appointment of Clarkson, Gordon & Co. as auditors of the Company.

#### **Other Business**

The management does not know of any other matters that may come before the meeting. However, if any other matters properly come before the meeting it is the intention that the persons named in the enclosed form of proxy will vote the proxy in accordance with their judgment on such matters.

By Order of the Board of Directors

R.W. INGLIS, C.A.,  
Secretary.

Toronto, Canada  
February 17, 1971.



